

NEW MEXICO ENVIRONMENT DEPARTMENT

Harold Runnels Building 1190 South St. Francis Drive (87505) P.O. Box 5469, Santa Fe, NM 87502-5469 Phone (505) 827-0187 Fax (505) 827-0160 www.env.nm.gov



BUTCH TONGATE Cabinet Secretary

J. C. BORREGO Deputy Secretary

Certified Mail - Return Receipt Requested

July 12, 2018

Mr. Dave Wykoff LAC Minerals LLC 582 County Road 55 Cerrillos, New Mexico 87010

Re: LAC Minerals LLC, Cunningham Hill Mine Reclamation Project; SIC 1041; NPDES Compliance Evaluation Inspection; NPDES # NM0028711; June 19, 2018

Dear Mr. Wykoff;

Enclosed please find a copy of the report and check list for the referenced inspection that the New Mexico Environment Department (NMED) conducted at your facility on behalf of the U.S. Environmental Protection Agency (USEPA). This inspection report will be sent to the USEPA in Dallas for their review. These inspections are used by USEPA to determine compliance with the National Pollutant Discharge Elimination System (NPDES) permitting program in accordance with requirements of the federal Clean Water Act.

Introduction, detailed site observations, and findings noted during this inspection are discussed in the "further explanations" section of the inspection report.

You are encouraged to review the inspection report, required to correct any problems noted during the inspection, and advised to modify your operational and/or administrative procedures, as appropriate. If you have comments on or concerns with the basis for the findings in the NMED inspection report, please contact us (see the address below) in writing within 30 days from the date of this letter. Further, you are encouraged to notify in writing both the USEPA and NMED regarding modifications and compliance schedules at the addresses below:

Robert Houston US Environmental Protection Agency, Suite 1200 Enforcement Branch (6EN-WS) 1445 Ross Avenue Dallas, Texas 75202-2733 Sarah Holcomb, Program Manager New Mexico Environment Department Surface Water Quality Bureau Point Source Regulation Section P.O. Box 5469 Santa Fe, New Mexico 87502 LAC Minerals LLC July 12, 2018 NM0028711

If you have any questions about this inspection report, please contact Daniel Valenta at 505-827-2575 or at daniel.valenta@state.nm.us.

Sincerely,

/s/Sarah Holcomb

Sarah Holcomb Surface Water Quality Bureau

Cc: Carol Peters-Wagnon, USEPA (6EN-WM) by e-mail David Long, USEPA (6EN-WM) by e-mail Amy Andrews, USEPA (6EN-WM) by e-mail David Esparza, USEPA (6EN-WM) by e-mail Robert Houston, USEPA (6EN-WS) by e-mail Darlene Whitten-Hill, USEPA (6EN-WC) by e-mail Nancy Williams, USEPA (6EN-WC) by e-mail Robert Italiano, NMED District II by e-mail



Form Approved OMB No. 2040-0003 Approval Expires 7-31-85

	NPDES Compliance Inspection Report																													
	Section A: National Data System Coding																													
	Transaction Code NPDES yr/mo/day Inspec. Type Inspector Fac Type													Гуре																
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Inspection Work Days Facility Evaluation Ra								ating			BI	Ī	QA	ı		 I	 I			Reserved										
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	Section B: Facility Data																													
Na	Name and Location of Facility Inspected (For industrial users discharging to POTW, also include Entry Time /Date Permit Effective Date																													
PO:	POTW name and NPDES permit number)																							ber 1,	2016					
LAC MINERALS (USA) LLC, CUNNINGHAM HILL MINE RECLAMATION PROJECT Exit Time/Date Exit Time/Date													Permit Expiration Date																	
	I-25 South to NM 14 to Cerrillos, left on CR 55 (Goldmine Road) on east side of NM 14 & 1039/06-19-2018												September 30, 2021																	
Minerals Gate, follow directions for keypad for entry. Santa Fe County											ember	30, 2	.021																	
Nar	ne(s)	of On-S	ite R	eprese	entativ	e(s)/T	itle(s)	/Phone	and F	ax Nu	mber(s)					<u> </u>						Oth	ner Fac	ility D	ata				
Mı	Ame(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) Other Facility Data Other Facility Data Other Facility Data SIC 1041																													
	Name Address of Demonstrate Official (Titals (Dhann and Fan Namhan																													
	Contacted W. 106°08.414'																													
	Ar. Dave Wykoff, 582 County Road 55, Cerrillos, New Mexico 87010/ Environnemental Iaintenance Coordinator/ office (505-471-0434) mobile (505-252-9615																													
	Section C: Areas Evaluated During Inspection (S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)																													
S	Per	mit					N	ı F	low N	1 easur	emer	nt			N	Ope	eration	ns & N	Mainte	enanc	ee		N	CSO	/SSO					
S	Re	cords/	Repo	rts			N	1	Self-N	Aonito	ring	Progra	am		N	Slu	ıdge H	landli	ng/Dis	posa	l		N	Pollu	ition I	reve	ntion			
S	Fa	cility S	ite R	eview	7		N	_	Comp	liance	Sche	dules	ules N Pretreatment N							Multimedia										
N	Effluent/Receiving Waters N Laboratory N Storm Water									Other:																				
								Sec	ction I): Sun	ımar	y of Fi	inding	gs/Cor	mmen	ts (Att	ach ac	lditio	nal she	eets i	f neces	sary)								
1.	Soo	Repor	t and	l Nor	rativa																									
1.	Sec	керог	t and	LINALI	auve																									
Na	Name(s) and Signature(s) of Inspector(s) Agency/Office/Telephone/Fax Date																													
• • •							(505) 827-2575									7/12/2018														
Daniel Valenta /s/Daniel Valenta (505) 827-2									Va) 041-4a13																					
									Age	Agency/Office/Phone and Fax Numbers									Date 7/12/2018											
Jennifer Foote /s/Jennifer Foote (505) 827-0596																														

LAC Minerals (USA) LLC	PERMIT NO. NM0028711
SECTION A - PERMIT VERIFICATION	
PERMIT SATISFACTORILY ADDRESSES OBSERVATIONS X S M U NA (FURTHER EDETAILS:	EXPLANATION ATTACHED <u>NO</u>)
1. CORRECT NAME AND MAILING ADDRESS OF PERMITTEE	X Y N NA
2. NOTIFICATION GIVEN TO EPA/STATE OF NEW DIFFERENT OR INCREASED DISCHARGES	OY"N X NA
3. NUMBER AND LOCATION OF DISCHARGE POINTS AS DESCRIBED IN PERMIT	X Y N NA
4. ALL DISCHARGES ARE PERMITTED	X Y N NA
SECTION B - RECORDKEEPING AND REPORTING EVALUATION	
RECORDS AND REPORTS MAINTAINED AS REQUIRED BY PERMIT. DETAILS: X S M U NA (FURTHER EXAMPLE) All DMRs are up-to-date.	XPLANATION ATTACHED <u>NO</u>)
1. ANALYTICAL RESULTS CONSISTENT WITH DATA REPORTED ON DMRs., Outfall 001 has never discharged	. X Y NA
2. SAMPLING AND ANALYSES DATA ADEQUATE AND INCLUDE.	OS " M " U X NA
a) DATES, TIME(S) AND LOCATION(S) OF SAMPLING	OY"N X NA
b) NAME OF INDIVIDUAL PERFORMING SAMPLING	OY"NX NA
c) ANALYTICAL METHODS AND TECHNIQUES.	OY"N X NA
d) RESULTS OF ANALYSES AND CALIBRATIONS.	OY"NX NA
e) DATES AND TIMES OF ANALYSES.	OY"N X NA
f) NAME OF PERSON(S) PERFORMING ANALYSES.	OY"N X NA
3. LABORATORY EQUIPMENT CALIBRATION AND MAINTENANCE RECORDS ADEQUATE.	OS" M" U X NA
4. PLANT RECORDS INCLUDE SCHEDULES, DATES OF EQUIPMENT MAINTENANCE AND REPAIR.	OS M U X NA
5. EFFLUENT LOADINGS CALCULATED USING DAILY EFFLUENT FLOW AND DAILY ANALYTICAL DATA.	O Y N X NA
SECTION C - OPERATIONS AND MAINTENANCE	
TREATMENT FACILITY PROPERLY OPERATED AND MAINTAINED. O S M O U X NA (FURTHER E) DETAILS:	XPLANATION ATTACHED <u>No</u>)
1. TREATMENT UNITS PROPERLY OPERATED.	S M O U X NA
2. TREATMENT UNITS PROPERLY MAINTAINED.	··· S ·· M OU X NA
3. STANDBY POWER OR OTHER EQUIVALENT PROVIDED .	OS " MOU X NA
4. ADEQUATE ALARM SYSTEM FOR POWER OR EQUIPMENT FAILURES AVAILABLE.	OS MOUX NA
5. ALL NEEDED TREATMENT UNITS IN SERVICE	·· S ·· M O U X NA
6. ADEQUATE NUMBER OF QUALIFIED OPERATORS PROVIDED.	s m ou x na
7. SPARE PARTS AND SUPPLIES INVENTORY MAINTAINED.	OS "M" U X NA
8. OPERATION AND MAINTENANCE MANUAL AVAILABLE. STANDARD OPERATING PROCEDURES AND SCHEDULES ESTABLISHED. PROCEDURES FOR EMERGENCY TREATMENT CONTROL ESTABLISHED.	OY'N X NA 'YON X NA OY'N X NA

LAC Minerals (USA) LLC	PERMIT NO. NM0028711
SECTION C - OPERATIONS AND MAINTENANCE (CONT'D)	
9. HAVE BYPASSES/OVERFLOWS OCCURRED AT THE PLANT OR IN THE COLLECTION SYSTEM IN THE LAST YEAR? IF SO, HAS THE REGULATORY AGENCY BEEN NOTIFIED? HAS CORRECTIVE ACTION BEEN TAKEN TO PREVENT ADDITIONAL BYPASSES/OVERFLOWS?	OYON X NA OY N X NA OY ON X NA
10.HAVE ANY HYDRAULIC OVERLOADS OCCURRED AT THE TREATMENT PLANT? IF SO, DID PERMIT VIOLATIONS OCCUR AS A RESULT?	Y O N X NA Y N X NA
SECTION D - SELF-MONITORING	
PERMITTEE SELF-MONITORING MEETS PERMIT REQUIREMENTS. O S M U X NA (FURTHER EX DETAILS:	(PLANATION ATTACHED <u>No</u>).
1. SAMPLES TAKEN AT SITE(S) SPECIFIED IN PERMIT.	O Y N X NA
2. LOCATIONS ADEQUATE FOR REPRESENTATIVE SAMPLES.	OY"NX NA
3. FLOW PROPORTIONED SAMPLES OBTAINED WHEN REQUIRED BY PERMIT.	O Y N X NA
4. SAMPLING AND ANALYSES COMPLETED ON PARAMETERS SPECIFIED IN PERMIT.	OY"N X NA
5. SAMPLING AND ANALYSES PERFORMED AT FREQUENCY SPECIFIED IN PERMIT.	OY " N X NA
6. SAMPLE COLLECTION PROCEDURES ADEQUATE	O Y N X NA
a) SAMPLES REFRIGERATED DURING COMPOSITING.	O Y N X NA
b) PROPER PRESERVATION TECHNIQUES USED.	OY"N X NA
c) CONTAINERS AND SAMPLE HOLDING TIMES CONFORM TO 40 CFR 136.3.	O Y N X NA
7. IF MONITORING AND ANALYSES ARE PERFORMED MORE OFTEN THAN REQUIRED BY PERMIT, ARE THE RESULTS REPORTED IN PERMITTEE'S SELF-MONITORING REPORT?	O Y X NA
SECTION E - FLOW MEASUREMENT	
PERMITTEE FLOW MEASUREMENT MEETS PERMIT REQUIREMENTS. O S M U X NA (FURTHER EXIDETAILS:	PLANATION ATTACHED <u>NO</u>)
PRIMARY FLOW MEASUREMENT DEVICE PROPERLY INSTALLED AND MAINTAINED. TYPE OF DEVICE No measuring device in place; one will be installed if water rises.	OY " N X NA
2. FLOW MEASURED AT EACH OUTFALL AS REQUIRED.	O Y N X NA
3. SECONDARY INSTRUMENTS (TOTALIZERS, RECORDERS, ETC.) PROPERLY OPERATED AND MAINTAINED.	O Y N X NA
4. CALIBRATION FREQUENCY ADEQUATE.	OY N X NA
RECORDS MAINTAINED OF CALIBRATION PROCEDURES. CALIBRATION CHECKS DONE TO ASSURE CONTINUED COMPLIANCE.	OY'NX NA OY'NX NA
5. FLOW ENTERING DEVICE WELL DISTRIBUTED ACROSS THE CHANNEL AND FREE OF TURBULENCE.	O Y N X NA
6. HEAD MEASURED AT PROPER LOCATION.	Оү" N X NA
7. FLOW MEASUREMENT EQUIPMENT ADEQUATE TO HANDLE EXPECTED RANGE OF FLOW RATES.	O Y N X NA
SECTION F – LABORATORY	
PERMITTEE LABORATORY PROCEDURES MEET PERMIT REQUIREMENTS. O S M U X NA (FURTHER EXIDETAILS:	PLANATION ATTACHED <u>NO</u>
1. EPA APPROVED ANALYTICAL PROCEDURES USED (40 CFR 136.3 FOR LIQUIDS, 503.8(b) FOR SLUDGES)	Оү N X NA

LAC Minerals	PERMIT NO	PERMIT NO. NM0028711												
SECTION F - LABORATORY (CONT'D)														
2. IF ALTERNATIVE ANALYTICAL PROCEDURES ARE USED, PROPER APPROVAL HAS BEEN OBTAINED Y N X NA														
3. SATISFACTORY CALIBRATION AND MAINTENANCE OF INSTRUMENTS AND EQUIPMENT. O S O M U X NA														
4. QUALITY CONTROL PROCEDURES ADEQUATE.														
5. DUPLICATE SAME	5. DUPLICATE SAMPLES ARE ANALYZED % OF THE TIME. O Y " N X NA													
6. SPIKED SAMPLES ARE ANALYZED % OF THE TIME Y N X NA														
7. COMMERCIAL LABORATORY USED. "Y"N X NA														
LAB NAME														
LAB ADDRESS														
PARAMETERS PERFORMED														
SECTION G - EFF	LUENT/RECEIVIN	G WATERS OBSER	VATIONS.	оs мои х	NA (FURTHER EXPLANATE	ION ATTACHED <u>No</u>).								
OUTFALL NO.	OIL SHEEN	COLOR	OTHER											
001	No Discharge	No Discharge	No Discharge	No Discharge	No Discharge	No Discharge								
RECEIVING WATER	OBSERVATIONS													
SECTION H - SLUDGE DISPOSAL														
SLUDGE DISPOSAL MEETS PERMIT REQUIREMENTS. O S M U X NA (FURTHER EXPLANATION ATTACHED NO). DETAILS:														
1. SLUDGE MANAG	EMENT ADEQUATE TO	O MAINTAIN EFFLUEN	T QUALITY.		1	O S M U >	C NA							
2. SLUDGE RECORI	OS MAINTAINED AS RI	EQUIRED BY 40 CFR 50	03.				s m u X NA							
2. SLUDGE RECORDS MAINTAINED AS REQUIRED BY 40 CFR 503. O S M U X NA 3. FOR LAND APPLIED SLUDGE, TYPE OF LAND APPLIED TO: agricultural (e.g., FOREST, AGRICULTURAL, PUBLIC CONTACT SITE)														
SECTION I - SAM	APLING INSPECTIO	ON PROCEDURES	(FURTHER EXPLANATIO	N ATTACHED <u>No</u>).										
1. SAMPLES OBTAI	NED THIS INSPECTION	I.				Y X N	 NA							
2. TYPE OF SAMPLE	E OBTAINED													
GRAB COMPOSITE SAMPLE METHOD FREQUENCY														
3. SAMPLES PRESERVED.														
4. FLOW PROPORTIONED SAMPLES OBTAINED.														
5. SAMPLE OBTAIN	ED FROM FACILITY'S	SAMPLING DEVICE.				_Y _N	≺ NA							
6. SAMPLE REPRES	ENTATIVE OF VOLUM	E AND MATURE OF DI	ISCHARGE.			_Y _N	≺ NA							
7. SAMPLE SPLIT W	TTH PERMITTEE.					y N .	X NA							
8. CHAIN-OF-CUSTO	ODY PROCEDURES EM	IPLOYED.				y N .	× NA							
9. SAMPLES COLLE	CTED IN ACCORDANC	CE WITH PERMIT.				Y N .	× NA							

Compliance Evaluation Inspection LAC Minerals (USA) LLC NPDES Permit No. NM0028711 June 19, 2018

Introduction

On April 16, 2013, a Compliance Evaluation Inspection (CEI) was conducted at LAC Minerals (USA) LLC, Cunningham Hill Mine Reclamation Project, located southeast of Cerrillos, New Mexico, by Mr. Daniel Valenta and Ms. Sandra Gabaldon of the New Mexico Environment Department (NMED), Surface Water Quality Bureau (SWQB). This facility is classified as a minor industrial discharger under the federal Clean Water Act (CWA), Section 402 National Pollutant Discharge Elimination System (NPDES) permit program, and is assigned NPDES permit number NM0028711. The permittee is authorized to discharge overflows from open pit pool. Any unauthorized surface discharge due to, but not limited to, a direct hydrologic connection of seepage of open pit water, is prohibited. To date, there have been no NPDES reported discharges from Outfall 001 at this facility.

In the event of a discharge from outfall 001, effluent would discharge into Lower Cunningham Gulch, an intermittent water in Segment 20.6.4.98 of the Rio Grande Basin NMAC (*State of New Mexico Standards for Interstate and Intrastate Surface Waters 20.6.4 NMAC*). Designated uses of this segment are livestock watering, wildlife habitat, limited aquatic life, and secondary contact. Cunningham Gulch connects to Galisteo Creek approximately eight (8) miles downstream from 0utfall 001. Galisteo Creek is a tributary of the Rio Grande in Segment 20.6.4.110 NMAC.

The inspector arrived at the facility office at 1004 hours and conducted an entrance interview with Mr. Dave Wykoff, Environmental Maintenance Coordinator, Cunningham Hill Mine Reclamation Project, LAC Minerals (USA) LLC. The inspector made introductions, showed his credentials and stated the purpose of the inspection. An exit interview to discuss preliminary findings of the inspection was held onsite with Mr. Dave Wykoff. The inspector exited the facility approximately 1039 hours.

The NMED performs a specific number of CEI's annually for the United States Environmental Protection Agency (USEPA). The purpose of the inspection is to provide the USEPA with information to evaluate the permittee's compliance with their NPDES permit. The enclosed inspection report is based on verbal information supplied by the permittee's representative, observations made by the NMED inspector and a review of records maintained by NMED. Findings of the inspection are detailed on the attached USEPA form 3560-3.

Facility Description

LAC Minerals (USA) LCC, Cunningham Hill Mine Reclamation Project was an active open pit gold mine and cyanide heap leach operation from 1979 through 1987.

Compliance Evaluation Inspection LAC Minerals (USA) LLC NPDES Permit No. NM0028711 June 19, 2018

The site is now in the post-closure and reclamation phase. Water in the open pit consists of mine drainage from ground water inflow and storm water conveyed from Upper Cunningham Gulch. Based on modeling studies conducted by the permittee, the existing pit has sufficient capacity to retain both storm water and mine drainage for approximately 60 years before a surface water discharge from the pit may be necessary.

Seeps and springs in the vicinity below the waste rock pile and open pit include Dolores Seep, Dolores Spring (both located in Dolores Gulch), and Deer Spring (located west of Dolores Gulch). According to the permittee's representatives, mine related impacts of these seeps, springs, and other surface water is prevented by existing ground water treatment systems in the vicinity of the waste rock pile and residue pile (heap leach site).

NMED/SWQB Official Photograph Log

Photo # 1

Photographer: Daniel Valenta Date: 6/19/2018 Time: 1016

City/County: Approximately 8 miles south of Los Cerrillos, NM/ Santa Fe County

Location: Picture taken from south side of LAC Minerals open pit mine facing north.

Subject: LAC Minerals open pit mine.



NMED/SWQB Official Photograph Log

Photo # 2

Photographer: Daniel Valenta Date: 6/19/2018 Time: 1012

City/County: Approximately 8 miles south of Los Cerrillos, NM/ Santa Fe County

Location: Picture taken from south side of LAC Minerals open pit mine facing north.

Subject: A stormwater capture system has been installed.

